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March 3, 2010

Honorable Steve Lindberg State Representative P.O. Box 30014 Lansing, MI 48909

Dear Representative Lindberg:

Thank you again for considering HB 4917 which will provide our retirees with a voice in how our pension system is managed. As a follow up to last week's hearing there is a need for clarification regarding the distribution of funds in 2007 that did not include the retirees.

Representatives of the Detroit Fire Fighters Association and P & F pension system Trustees, denied knowledge of the one minute special meeting of the P & F Pension Board on Tuesday May 13rd 2008, or a link between that meeting and the active uniform employees receiving increased pensions and sick time payout.

In response I would like to give a sequence of events regarding this matter:

On Thursday May 8, 2008, Mayor Kilpatrick was to appear before the Police & Fire (P & F) pension system seeking funds for the City of Detroit. I was at the meeting but had to leave for another meeting before the Mayor arrived.

On Friday May 9, 2008, an informal gathering of Active Unions Officers, and RDPFFA Officers met at Sinbad's Restaurant in Detroit. I asked if the Mayor ever arrived at the P& F Pension meeting, and if they decided to give him anything. I was informed that he did arrive, but late, and they weren't going to give them anything. There was no mention of any other discussions with the Mayor regarding pension funds or 13<sup>th</sup> check agreement.

On Tuesday May 13<sup>th</sup> 2008, we received a call in our office from one our members that works in the City County building, informing us of the events that had just taken place.

The Memorandum of Understanding agreements amending all four of the active unions contracts were signed, and immediately following that the special One Minute Meeting

of the P & F Pension Trustees took place at which the 75 million dollar deal for the City was cut along with an approximately \$30 million deal for the actives.

With the denial of the Representatives of the Union and Trustees of the link between these events, it appears that they would like you to believe that Mayor Kilpatrick arrived at the City County building gathered all the uniform union leaders together, and he was in such a good mood that he informed the unions that he wanted to amend their contracts in mid-stream and increase their sick time payout to 100% and allow them to use 25% of the value of their sick time to increase their pensions by hundreds of dollars a month, and that the City wanted nothing in exchange.

Then as the union officials and P & F pension trustees were leaving the Labor Relations Office, they just happened to bump into the other members of the P & F pension system, and they then decided, because they all just happened to be in the City County building that they should stop by the P & F Board room and call a meeting.

Then during this meeting with all the Trustees having made a point of how serious they take their fiduciary responsibility, they did all their Due Diligence fully taking into account all the ramifications of what they were about to do, and the long term affects it may have on the pension system. After all this they decided to give the City of Detroit 75 million dollars by allowing it to forego payments to the pension system and the actives approximately \$30 million in benefits. This was all accomplished in one minute.

I think you see why we as retirees want and deserve a voice in the affairs of our pension system. Claiming a one minute meeting qualifies as fulfilling their fiduciary responsibilities should be unacceptable. Again, I ask for your yes vote and passing HB 4917 from committee today.

Sincerely,

Don Taylor President